Washington State House of Representatives Office of Program Research

BILL ANALYSIS

Environment Committee

HB 2440

Brief Description: Modifying the definition of "oil" or "oils."

Sponsors: Representatives Fitzgibbon, Tharinger, Short and Ryu; by request of Department of Ecology.

Brief Summary of Bill

• Changes several statutory definitions of "oil" or "oils" as applied in oil spills and cleanup programs to explicitly include bitumen, synthetic crude oil, and natural gas well condensate.

Hearing Date: 1/22/14

Staff: Megan Mulvihill (786-7291) and Jason Callahan (786-7117).

Background:

Washington requires vessels transporting petroleum products to prepare contingency plans for oil spills along with providing evidence of financial responsibility. The Department of Ecology is also responsible for managing the Statewide Master Oil and Hazardous Substance Spill Prevention and Contingency Plan. The definition of "oil" or "oils" under these provisions means oil of any kind that is liquid at atmospheric temperature and fractionation, which is the use of heat to separate hydrocarbons to refine the oil. Those oils explicitly listed are, but are not limited to: crude oil, petroleum, gasoline, fuel oil, diesel oil, biological oils and blends, oil sludge, oil refuse, and oil mixed with wastes other than dredged spoil.

Bitumen and Synthetic Crude Oil.

Bitumen is thick, heavy oil mixed with sand and water. Bitumen is hard and will not flow until it is diluted or heated above 11 degrees Celsius. Bitumen, also known as oil sands, is found in many countries, but the largest deposits are located in Canada. There are two forms of extraction: surface mining and drilling known as "steam assisted gravity drainage". Steam

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assisted gravity drainage drilling involves pumping steam underground through horizontal wells to liquefy the bitumen, which is then pumped to the surface via a second well. Processed bitumen creates synthetic crude oil.

Natural Gas Well Condensate.

Natural gas wells contain both natural gas and a liquid condensate. The condensate is a liquid hydrocarbon mixture that is separated from the natural gas during processing and recovered at the wellhead. This liquid condensate, also known as drip gas or natural gasoline, is often used to denature fuel alcohol.

Summary of Bill:

Oil is redefined in oil spill and cleanup statutes as oil of any kind that is liquid at twenty-five degrees Celsius and one atmosphere of pressure and any fractionation thereof. Added to the list of examples of oil covered by the definition are bitumen, synthetic crude oil, and natural gas well condensate.

Technical changes in the bill correct a reference to the Federal Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) hazardous substance list.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.